

**MINUTES OF THE MEETING OF THE STRATEGIC PLANNING COMMITTEE OF CAREFIRST, INC.
MONDAY, JANUARY 22, 2001
AT ITS HEADQUARTERS IN OWINGS MILLS, MARYLAND**

Members Present: Charles W. Shivery (Chairman); Daniel Altobello; Edward J. Baran; Max S. Bell, Jr., Esq.; Joseph Haskins; Sister Carol Keehan, R.N., M.S.; Roger C. Lipitz; Patricia E. Lund, Ed.D., R.N.; Robert H. Naftaly

Also Present: William L. Jews; Mark Chaney; Gregory A. Devou; Leon Kaplan; Paul King; John A. Picciotto; Sharon Vecchioni; David D. Wolf; Sandy Beard; Benjamin Adams; Elizabeth Grieb; Larry Levine; Patrick McMullan; Michael Muntner; Grace Yun

The meeting was called to order by Chairman Shivery.

Staff and advisor presentations were made through the use of a handout which had previously been distributed to the Committee, and which is made a part of these minutes.

Ms. Grieb, CareFirst's outside legal counsel (Piper, Marbury, Rudnick & Wolfe), reviewed the Board of Directors' responsibilities, related to a potential transaction. She noted that while there would be minor differences, the duties are substantially the same across jurisdictions. Ms. Grieb also noted that unlike a public company sale, the proposed transaction does not subject the CareFirst Directors to a duty to maximize price. Rather, the Directors must obtain a fair price, but can also consider other non-price factors. Among the factors to be considered, Ms. Grieb cited several, including continued local presence, on-going continuation of subscribers' coverage, overall constituent benefits, as well as foundation funding. The Board's accountability will be to assess the comprehensive offer, as opposed to focusing on a single component.

Mr. Jews followed with an update of recent activities, noting that the investment bankers had re-confirmed CareFirst's strategic direction early in 2000, and had subsequently narrowed the list of potential candidates to four. Further development of a business case narrowed the field to Trigon and WellPoint, two plans that the Board acknowledged as being the most viable partners during December's Year 2000 Annual Board Meeting. Mr. Jews reported that during the past month, multiple conversations and meetings between himself and the principals have occurred, and that preliminary outlines of an agreement have been developed with both Trigon and WellPoint. He noted that the next steps are CareFirst due diligence of both plans: the due diligence process will evaluate multiple criteria, among which total economic value and "do-ability" are key. Findings will be presented to the Committee and the Board of Directors.

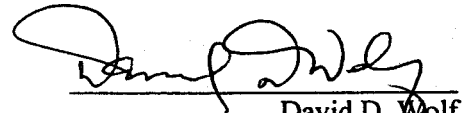
Mr. McMullan, representing Credit Suisse, First Boston (CSFB), reviewed multiple criteria for assessing the plans. The criteria include economic benefit, "do-ability", governance, long-term strategy and goals, and the overall business case. Mr. Lipitz requested an analysis of key constituent's perceptions, not just the parties to the transaction. Mr. McMullan agreed to this assessment, as well an analysis of the impact of CareFirst forgoing any type of further strategic expansion or partnership.

Mr. Picciotto reviewed the "do-ability" of both transactions from a regulatory perspective, focusing on decision-makers and influencers by jurisdiction. Mr. Lipitz stressed the need for a comprehensive communication plan, both pre- and post-announcement, to key individuals who could affect the outcome of the transaction. Mr. Shivery inquired whether one partner is more likely than the other to result in a successful transaction. Mr. Jews responded that both plans continue to discuss expansion opportunities with us in good faith, and that there are no "fatal flaws" apparent in either

candidate. Selection of a final candidate will depend on the terms offered, as well as information gathered during the due diligence process.

Mr. Jews reviewed the process and timeline, noting that the goal of CareFirst's due diligence is face-to-face assessment and inquiry of the partners. Mr. Haskins asked the group to consider the partners' image with external parties, including employers, providers, policyholders, regulators, and others. Mr. Naftaly advised the group to anticipate any other strategic transactions the partners might be considering and impact it would have on CareFirst's long term goals. The group anticipated reviewing preliminary due diligence findings at the February SPC and Board meetings. However, Mr. Altobello noted that additional, unscheduled meetings will be necessary to obtain full Board approval to proceed. In the meantime, Mr. Altobello requested that CSFB calculate the "fair market value" of CareFirst, in the context of today's fluctuating market.

There being no further business, the meeting adjourned at 9:30 a.m.


David D. Wolf
EVP, Medical Systems and
Corporate Development